

Integrated Well Monitoring Program Leads to Lower Annual Chemical Spend and Reduction in Overall Well Failure Rates

Permian Basin–focused operator implements Well Monitoring Program and expands with projected \$10M in cost savings

The Situation

The chemical spending for this Permian operator with a focus in the Delaware Basin had been increasing with little to no actual decrease in the scaling and corrosion issues they were having. The wells are spread across a large area and produce from different zones within the same field, and the chemical treatment recommended by their chemical supplier was nearly identical for all wells. The common response to findings of scale and corrosion are to increase chemical treatment rates or increase treatment frequency. Minimal testing for these wells had been provided to the operator to justify treatment.

The Solution

OLA was hired as a partner to implement routine testing services, with an expert level of sample data interpretation and recommendations for the field treatment program. As part of our state-of-the-art laboratory services, we provided an accurate data profile to help identify potential issues before they did too much damage. Working with the preferred chemical service provider, OLA helped to refine product selection, chemical treatment rates, injection points, and recommended new and/or replacement treatments as part of the program.

The partnership ensured the chemical service company maintained their presence at these locations, to the benefit of all parties. Provided services included Sample Collection with transport to lab, Analytical Testing, Reporting, and Data Interpretation.

Testimony

The program implemented with OLA has provided significant cost savings for the wells assigned to me. The results are getting noticed by management and we are expanding this relationship and service expertise across our company.

Senior Production Engineer,
Permian Basin Operator

The Outcome

Overall, the operator's Delaware Basin assets decreased from an estimated \$0.48 BOE of chemical spend in lift costs to \$0.18 BOE over the course of one year of routine testing and recommended adjustments in the program. This provided a direct savings of \$60,000 per month for the pilot program.

Future expansion of the program will include an estimated 1,100 wells to be monitored in the Midland and Delaware Basins with an average production of 90,000 BOE per day. This expansion allows for the optimization of chemical programs across all the operator's field assets, generating a potential cost reduction of \$810,000 per month—nearly \$10M per year.

An Eye on ESG

OLA's Well Monitoring Programs brought significant cost savings to the operator, and contribute to more ethical and sustainable production across the industry.